

December 2, 2005

Ms. Karen Hill Ms. Ashley Forbes TCEQ Austin, TX

BLUE SKIES ALLIANCE

THE CLEAN AIR ADVOCATE

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RE: Comments on East Texas Electric Generating Facilities (EGSs)

Stakeholder Meeting November 18, 2005

Dear Ms. Hill and Ms. Forbes:

The following comments are submitted on behalf of Blue Skies Alliance regarding the East Texas Generating Facilities (EGFs) Stakeholder meeting held on November 18, 2005.

Blue Skies Alliance would like to thank the Commissioners and Staff for conducting the meeting. It allowed for meaningful public participation on a very important air quality matter. The Commissioners and staff handled the potentially divisive subject matter very well by presenting the facts and answering questions in a professional and objective manner. Blue Skies Alliance looks forward to additional future opportunities for public participation.

Public Access to Information

It would help facilitate meaningful public participation even further if TCEQ were to post electronically on its website all comments submitted on this matter.

Emissions from East Texas Electric Generating Facilities (EGFs) concerns citizens and businesses located not only in the Dallas-Ft. Worth area, but throughout most of the state. Various stakeholders will be providing the agency with information about associated costs, health statistics, employment impacts, etc. Without easy access to this information, the majority of affected stakeholders will not be able to provide meaningful and timely comments.

Also, by providing the information on the website, TCEQ would conserve its limited resources and staff time by not having to respond to numerous public information act requests.

Underestimated Emissions

Understandably, flexible permits are becoming the preferred choice of permitted facilities. This phenomenon, however, may be undermining TCEQ's efforts to accurately inventory, model, predict and regulate emissions for controlling ozone violations in nonattainment and near-nonattainment areas.

In some cases, permitted facilities are allowed to emit on a short term basis more than four-times the amounts calculated from the annual emission limits. This significant increase of emissions may persist for hours, even days at time, without violating the facility's permit restrictions.

Although these short-term increases may not be permit violations, they may very well be causing or contributing to downwind ozone violations. TCEQ needs to further understand this potential effect to ensure that the public's health and welfare will be protected.

Lack of Meaningful Analysis

Nonattainment and near nonattaiment areas are working hard to comply with the Clean Air Act ozone requirements. Local residents and business have in the past made significant reductions, and will be asked to do so again.

TCEQ, however, is continuing to take actions that will completely undermine local efforts. Despite the overwhelming obstacles facing the state to develop a workable SIP, the TCEQ continues to approve new air permits for facilities to be located in attainment areas. These permits are being approved without conducting a meaningful analysis about the long-range impact of the facility's emissions on nonattaiment areas in violation of Clean Air Act requirements.

TCEQ air permitting staff continues to rely upon an outdated memo¹ that focuses on the old 1-hour standard and completely ignores long-range impacts of NOx emissions. EPA has recently released its Phase II 8-Hour Ozone Rules that specifically confirm the important role NOx emissions play as long-range ozone precursors. TCEQ must conduct meaningful analysis before issuing new permits for EFGs.

In order to protect air quality in these non-attainment or near non attainment areas, the TCEQ should put in place protective rules before additional permits are issued and certainly before any new coal-fired power plants are permitted and built. There are a number of options to do this:

- Require meaningful PSD analysis for all pending permits as required by 40 CFR §§ 51.160 and 52.21(k)
- Require reductions in emissions from existing power plants and set a cap on allowable emissions in east Texas
- Reduce emissions rate in east Texas under Chapter 117 rules

¹ Memo dated March 3, 2000 from Dom Ruggeri regarding One-Hour Ozone Screening Technique.

- Implement HB 2481 Sec 2 (d) the provision of which "allow the commission to implement more stringent emissions control requirements"
- · Require offsets for all new sources of emissions in east Texas
- · Require retirement and cancellation of permits of mothballed units

PSD permits are supposed to prevent the air quality in attainment <u>and nonattainment</u> areas from getting any worse. TCEQ must revise its rules, policies and procedures to ensure the protection required by the Clean Air Act.

Balancing Costs

While EFGs will understandably submit data concerning technology and other costs, Blue Skies Alliance encourages TCEQ to thoroughly balance the EFGs internal costs with the external costs associated with pollution such as health care, lost work days, decreased life span, and other personal, social and economic losses.

Federal CAIR Rules Not Enough

Although the federal CAIR rules will help, these rules will not help everyone. EPA and TCEQ data clearly demonstrate that CAIR will not help the Dallas-Ft. Worth area by the 2010 deadline. More must be done. EFGs contribute to the problem, and therefore, must also contribute to the solution.

Again, I would like to thank TCEQ for this opportunity to provide comments and look forward to more opportunities in the future. If you have any questions or would like additional information, feel free to contact me.

Sincerely.

Wendi Hammond Executive Director Blue Skies Alliance